

MINUTES
OF THE
GOVERNMENT CONTRACT
REVIEW COMMITTEE

August 10, 1999

The Government Contract Review Committee met on Tuesday, August 10, 1999 at 10:00 AM, in Room 125 of the Capitol Annex. Representative Brent Yonts, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Brent Yonts, Chairman; Representatives Bob Heleringer and Kathy Stein; and Senators Marshall Long and Bob Jackson.

Guests: Deborah Wilkins, Susan Warfield, Kelly Staples, Steve Fox, Patricia Thurman, Margaret McClain, Sandy Deaton, Gene Wilhoit, and Ken Henry.

LRC Staff: Michael Meeks, Joseph Hood, Kim Eisner, and Nancy Smith.

A motion was made by Senator Long and seconded by Senator Jackson to approve the Minutes of the July 13, 1999, meeting. The motion passed unanimously.

A motion was made by Senator Long and seconded by Senator Jackson to approve the Routine Contract List with the exception of #13, between Eastern Kentucky University and F. D. Combs & Associates, PS#00-052; #15, between Finance and Administration Cabinet and F. D. Combs & Associates, PS#99023334; #30, between Legislative Research Commission and Dr. David Miller, PS#00-14; #31, between Legislative Research Commission and Dr. Suzanne Lane, PS#00-13; #32, between Legislative Research Commission and Dr. Richard M. Jaeger, PS#00-11; #33, between Legislative Research Commission and Dr. Andrew Porter, PS#00-10; #34, between Legislative Research Commission and Dr. James Catterall, PS#00-09; #35, between Legislative Research Commission and Dr. John Poggio, PS#00-08; #36, between Legislative Research Commission and National Center for Higher Education Management Systems, PS#00-07; #37, between Legislative Research Commission and Dr. Robert L. Linn, PS#00-12; and #56, between University of Louisville and Esterhay Group, Inc., PS#00-10. The motion passed unanimously.

A motion was made by Senator Long and seconded by Representative Heleringer to approve the Amendment List. The motion passed unanimously.

A motion was made by Senator Long and seconded by Representative Heleringer to approve the Routine K.A.P.S. List. The motion passed unanimously.

A motion was made by Senator Long and seconded by Senator Jackson to approve the Routine Memoranda of Agreement List. The motion passed unanimously.

A motion was made by Senator Long and seconded by Senator Jackson to approve the Memoranda of Agreement Amendment List. The motion passed unanimously.

A motion was made by Senator Long and seconded by Representative Heleringer to approve the MARS Personal Service Contract and Memoranda of Agreement List with the exception of #1, between Kentucky Higher Education Assistance Authority and Gordon, Silberman, Wiggins & Childs, PS#HEA-929; #6, between Kentucky Higher Education Assistance Authority and Greenebaum, Doll & McDonald PLLC, PS#HEA-934. The motion passed unanimously.

The following ROUTINE contracts
were APPROVED:

ATTORNEY GENERAL, OFFICE OF THE:

Stites & Harbison, 000194.

AUDITOR OF PUBLIC ACCOUNTS:

PriceWaterhouse Coopers, 000192; B. Strunk, Inc., 000196.

EASTERN KENTUCKY UNIVERSITY:

James Seeber, 99-230; Institute for Human Services Management, 00-065; Council on Accreditation, 00-063; Sherryl Becker, 99-232; Marsha Blanks, 99-233; Jeanetta Burdine, 99-234; James L. Nice, 00-059; Barry Denton, 00-045; OBM Institute / Chris Groeber, 00-048; Pamela L. Riley, 00-061.

HEALTH SERVICES, CABINET FOR:

St. Elizabeth Medical Center, 000188; MULTI - Provider, 000187.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM:

Peoplesource, 006.

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY:

Trans Union, 933; PriceWaterhouse Coopers, HEA 936.

KENTUCKY HOUSING CORPORATION:

PriceWaterhouse Coopers LLP, 2000-19.

KENTUCKY JUDICIAL RETIREMENT SYSTEM:

Hilliard Lyons Trust Company, 00-1000; Farmers Bank and Capital Trust Company, 00-2000.

KENTUCKY STATE UNIVERSITY:

Ricks Associates, 00-07; PriceWaterhouse Coopers, 00-08; Johnson, Judy, True & Guarnieri, 00-09; Educational Computer Systems, Inc., 00-02; Systems & Computer Technology Corporation, 00-10.

LABOR CABINET:

Lakin & Jones, 000193.

MILITARY AFFAIRS, DEPARTMENT OF:

American Legion, 9908997; Disabled American VETS, 99010387; Veterans of Foreign Wars, 99010223.

MURRAY STATE UNIVERSITY:

Tim Schumacher, 010-00-2; GRW Engineers, Inc., 009-00-2.

NORTHERN KENTUCKY UNIVERSITY:

Spectrum Solutions, 2000-358-1; Educational Computer Systems, Inc., 2000-203; National Center for Higher Education Management Systems, 2000-360.

PUBLIC SERVICE COMMISSION:

Morrison and Hecker, 000128.

TRANSPORTATION CABINET:

Mark Guilfoyle at Deters, Benzinger & Lavelle, 991005; Pamela L. Riley, 00-061; Catharine A. Redd, 9901006; Smith & Helman, 991004; Vaughn & Melton Consulting Engineers, Inc., 99026404; Thurston Freeman, 99025072; Logsdon Realty & Consulting, Inc., 99021052; Intelligent Decision Technologies, LTD, 99031246.

UNIVERSITY OF KENTUCKY:

Brakke Consulting, Inc., K00-147.

UNIVERSITY OF LOUISVILLE:

Arthur Andersen LLP, 00-7.

WESTERN KENTUCKY UNIVERSITY:

Creative Alliance, 12-99; Kerrick, Grise & Stivers, 13-99.

WORKFORCE DEVELOPMENT CABINET:

Ferreri, Fogle, Poh, & Picklesimer, 000184.

The following AMENDMENTS

were APPROVED:

EASTERN KENTUCKY UNIVERSITY:

Travis Fritsch, 99-073.

FINANCE AND ADMINISTRATION CABINET- Division of Engineering:

Patrick D. Murphy Company, Inc., 995436; Commonwealth Technology, Inc., 985067.

UNIVERSITY OF KENTUCKY:

Biagi, Chance, Cummins, London, Titzer, inc., A981350.

WESTERN KENTUCKY UNIVERSITY:

Kerrick, Grise and Stivers, 11-98.

The following ROUTINE K.A.P.S. CONTRACTS

were APPROVED:

HEALTH SERVICES, CABINET FOR:

Adminastar Federal KY, PS005202.

INSURANCE, DEPARTMENT OF:

Tillinghast, PS005119.

The following ROUTINE MEMORANDA OF AGREEMENT
were APPROVED:

ADMINISTRATIVE OFFICE OF THE COURTS:

University of Louisville-Family Therapy Program, 2000-01; Northern Kentucky Area Development District (NKADD), 2000-23.

AGRICULTURE:

Jackson Purchase Resource Conservation, 23577.

ATTORNEY GENERAL, OFFICE OF THE:

Fish and Wildlife, 23414; KY Occupational Safety and Health Review Commission, 23415.

CHILDREN WITH SPECIAL HEALTH CARE NEEDS COMMISSION:

Seven Counties Services, 23497.

DEVELOPMENTAL DISABILITIES, COUNCIL FOR:

West KY Educational Cooperative, 23527.

ECONOMIC DEVELOPMENT, CABINET FOR:

City of Radcliff, EDC-14.

EDUCATION, DEPARTMENT OF:

Henderson County Board of Education, 23406; Henderson County Board of Education, 23407; Kenton County Board of Education, 23408; Pikeville Independent Board of Education, 23409; Fayette County Board of Education, 23410; Shelby County Board of Education, 23411; Harrison County Board of Education, 23412; Paducah Independent Board of Education, 23413; Franklin County Board of Education, 23416; Newport County Board of Education, 23417; Ohio Valley Educational Cooperative, 23418; Hancock County Board of Education, 23419; Henderson County Board of Education, 23420; Jefferson County Board of Education, 23421; Wolfe County Board of Education, 23422; Pulaski County Board of Education, 23423; Clay County Board of Education, 23424; Ohio Valley Educational Cooperative, 23503; Fleming County Board of Education, 23541; Harrison County Board of Education, 23542; Kentucky Valley Educational Cooperative, 23543; Floyd County Schools, 23557; Kentucky Higher Education Assistance Authority, KHESLC-1-99.

FAMILIES AND CHILDREN, CABINET FOR:

Workforce Development Cabinet, 23481; Transportation Cabinet, 23556; Cabinet for Health Services, 23562; Cabinet for Health Services, 23568.

HEALTH SERVICES, CABINET FOR:

Department of Alcoholic Beverage Control, 23483; Lincoln County School District, 23531; Cabinet for Families and Children, 23578; Cabinet for Families and Children, 23579; Cabinet for Families and Children, 23580; Department for Local Government, AP99007050; Office of Inspector General, MS 99-00-6228; Office of Program Support, MS 99-00-6295.

JUVENILE JUSTICE, DEPARTMENT OF:

Laurel County Board of Education, 23522.

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY:

KY Higher Student Loan Corporation, HEA930.

KENTUCKY INFRASTRUCTURE AUTHORITY:

Buffalo Trace Area Development District, 23325.

KY COAL COUNCIL, OFFICE OF THE:

Western KY CEDAR, Inc., 23554.

LOCAL GOVERNMENT, DEPARTMENT FOR:

Christian County, DLG23521; City of Dayton, DLG23576; McCreary County, DLGCS732.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET:

Fish and Wildlife Department, NREPC0078; Department of Fish and Wildlife, NREPC0080.

TRANSPORTATION CABINET:

Murray-Calloway County Airport Board, M1023; Ohio-Kentucky-Indiana Regional Council, M0125.

The following MEMORANDA OF AGREEMENT AMENDMENTS
were APPROVED:

FINANCE AND ADMINISTRATION CABINET:

Cabinet for Economic Development, 20037.

HEALTH SERVICES, CABINET FOR:

Green River District Health Department, 19459; Lincoln Trail District Health Department, 19807.

LOCAL GOVERNMENT, DEPARTMENT FOR:

Morgan County Fiscal Court, 21146.

The following MARS PERSONAL SERVICE CONTRACTS
AND MEMORANDA OF AGREEMENT

were APPROVED:

EDUCATION, DEPARTMENT OF:

Treasurer, Daviess County Board of Education, M99012015; Treasurer, Larue County Board of Education, M99012172.

FINANCE AND ADMINISTRATION CABINET - Office of the Secretary:

PriceWaterhouse Coopers, LLP, C99025381.

INSPECTOR GENERAL, OFFICE OF THE:

Debra H. McDonald, C99021198.

JUVENILE JUSTICE, DEPARTMENT OF:

Treasurer, Campbell County Board of Education, M99015395.

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY:

Bert David Cox, C99008227; Somerset Community College, C99008855; S. A. Slyter and Association, C99010482; Campbellsville University, C99015343; Kentucky Higher Education Student Loan Corporation, C99016950; Kentucky Higher Education Student Loan Corporation, C99017055; Eastern Kentucky University, C99017238; Georgetown College, C99017395; Hazard Community College, C99017436; Kentucky Community and Technical College System, C99017457; Lindsey Wilson College, C99017497; Maysville Community College, C99017548; Murray State University, C99017592; Prestonsburg Community College, C99017620; Western Kentucky University, C99017711; Southeast Community College, C99017724; University of Kentucky, C99017778; Centre College, C99017823; Ashland Community College, C99017824.

TRANSPORTATION CABINET:

Peridot Pictures Corporation, C99010297; One Alliance, C99012439.

The following CONTRACTS were PULLED
from the ROUTINE list:

EASTERN KENTUCKY UNIVERSITY:

F. D. Combs & Associates, PS#00-052.

Ms. Susan Warfield and Ms. Kelly Staples, Cabinet for Families and Children, and Mr. Steve Fox, Eastern Kentucky University, discussed this contract with the committee. A motion was made by Senator Long and seconded by Senator Jackson to approve the contract. The motion passed with Representative Heleringer voting NO.

FINANCE AND ADMINISTRATION CABINET:

F. D. Combs & Associates, PS#99023334.

Ms. Patricia Thurman and Ms. Margaret McClain, Governmental Services Center, discussed this contract with the committee. A motion was made by Senator Long and seconded by Senator Jackson to approve the contract. The motion passed unanimously.

LEGISLATIVE RESEARCH COMMISSION:

Dr. David Miller, PS#00-14; Dr. Suzanne Lane, PS#00-13; Dr. Richard M. Jaeger, PS#00-11; Dr. Andrew Porter, PS#00-10; Dr. James Catterall, PS#00-09; Dr. John Poggio, PS#00-08; National Center for Higher Education Management Systems, PS#00-07; Dr. Robert L. Linn, PS#00-12.

Mr. Ken Henry, Office of Education Accountability, Mr. Gene Wilhoit, Department of Education, and Ms. Sandy Deaton, Legislative Research Commission, discussed these contracts with the committee. A motion was made by Senator Jackson and seconded by Representative Stein to approve the contract. The motion passed with Representative Heleringer voting NO.

The following CONTRACT was DEFERRED
from the July 13, 1999 meeting:

WESTERN KENTUCKY UNIVERSITY:

English, Lucas, Priest & Owsley, PS#60-98.

Ms. Deborah Wilkins, Western Kentucky University, discussed the contract with the committee. A motion was made by Representative Heleringer and seconded by Senator Long to approve the contract contingent upon the acceptance of an hourly rate of \$125.00 by the vendor and an update next month. The motion passed unanimously.

Dorthy O. Neff, PS#62-98 and Coastal Consultants, PS#11-99.

Ms. Wilkins discussed these contracts with the committee. Representative Heleringer expressed exceptions to these contracts. A motion was made by Senator Jackson and Senator Long to approve the contracts. The motion passed with Representative Heleringer voting NO.

The following CONTRACT was ADDED:

CABINET FOR HEALTH SERVICES:

National Valuation Consultants, Inc., C99022443.

A motion was made by Senator Long and seconded by Senator Jackson to approve the additional agenda item. The motion passed unanimously.

The following CONTRACTS
were DEFERRED to the September 14, 1999 meeting:

Gordon, Silberman, Wiggins & Childs, C99008227; Greenebaum, Doll & McDonald, PLLC, C99016869; Esterhay Group, Inc., PS#00-10.

A motion was made by Senator Long and seconded by Senator Jackson to defer these contracts to the September 14, 1999 meeting. The motion passed unanimously.

COMMITTEE DISCUSSIONS

Chairman Yonts stated that there was a proposed policy revision regarding fees for auditing services. The proposed policy revision would allow agencies to pay principle or partner an amount not to exceed \$125/hr., senior auditor or manager an amount not to exceed \$100/hr., and junior auditors or staff auditors an amount not to exceed \$75/hr. unless required by the complexity or uniqueness of the audit, in which case, prior justification must be presented to the committee. A motion was made by Senator Jackson and seconded by Representative Stein to approve the new policy rates. The motion passed unanimously.

Chairman Yonts directed the attention of the committee to correspondence from several government agencies requesting exemption from the government contract review process, through a procedure delineated in KRS 45A.690 (1)(d)(11) and 45A.690 (1)(f)(6) which allows the committee to exempt from review any memorandum of agreement or personal service contract it deems inappropriate for consideration. Those agencies requesting exemption were: Workforce Development Cabinet (Job Training Partnership Act); Workforce Development Cabinet (Carl Perkins Vocational Act); Workforce Development Cabinet (Adult Literacy Providers); Kentucky Heritage Land Conservation Fund (State Land Conservation Funds); Kentucky Higher Education Student Loan Corporation; and Kentucky Association for Community Action (Community Service Block Grants). A motion was made by Senator Long and seconded by Senator Jackson to approve the exemptions until the end of February, 2000. The motion passed with Representative Heleringer voting NO.

The meeting adjourned at 11:20 a.m.